

BEST PRACTICES & GUIDELINES FOR IMPLEMENTATION

Imaging

Name of Agency & Director:

Arizona Health Care Cost Containment System (AHCCCS)
Anthony D. Rodgers, Director

Topic of Reform: Imaging

Background: (What has been improved? Why was a change needed?)

In the past, AHCCCS has struggled with finding office space for storing member files and being able to easily retrieve them when the files needed to be reviewed. Considering the costs associated with storage space and the retrieval process, the Agency decided to consider a more modern approach to the situation in the form of Imaging. After careful research as to the benefits of Imaging and the impact that implementing it would have, AHCCCS began introducing it to AHCCCS.

Imaging is the process of converting paper documents into electronic files. These files are then saved electronically for ease in retrieval by employees with access. Imaging has been fully implemented in two offices and is being rolled out into its ALTCS field offices at this time.

Savings & Benefits: (How did you reduce costs, improve operations, eliminate duplication and increase productivity?)

Upfront and Ongoing Costs: There are significant development costs with the implementation of Imaging and there continue to be operating costs.

Development Costs:

FY05 Development Costs: KidsCare & SSI MAO - \$873,000 Total Fund (\$436,500 General Fund)
ALTCS - FY2005 - \$226,926 Total Fund (\$113,463 General Fund)

FY06 Development Costs: All Areas in Progress - \$545,386 Total Fund (\$272,693 General Fund)

FY07 Development Costs: All Areas in Progress - \$805,800 Total Fund (402,900 General Fund)

Maintenance/Operating Costs:

KidsCare & SSI MAO & ALTCS - FY06 estimate - \$142,235

Savings:

In the KidsCare office, AHCCCS utilized the space for additional staff. There was therefore a cost avoidance savings because if the Agency did not have the space available, it would have needed to incur the cost of space for 11 additional staff: $11 \times 250 \text{ sq ft} \times \$18.00/\text{sq ft/yr} = \$49,500$

For SSI MAO, AHCCCS returned 3,000sq ft at the end of October 2005 which equates to a cost savings of $3,000 \text{ sq ft} \times \$18 = \$54,000/\text{year}$. This equates to monthly rent savings of \$4,500. For FY06 (Nov 05 - Jun 06) the savings would be $\$4,500 \times 8 \text{ months} = \$36,000$.

Cost savings for Imaging have been difficult to quantify. As eligibility offices spend more time using Imaging, it is expected that savings will become more identifiable. Below are several improvements that will produce savings. However, expenditures at this time are more than savings. This estimate will be revised as additional information becomes available. It is expected that there will be more of a cost reduction within the next five years and savings will increase in future years as the capabilities of Imaging are fully realized in all of the offices.

Administrative Reductions Identified:

- 1) Files: Imaging will eliminate the need for files.
- 2) Office Space/File Storage: Storage space costs will be reduced. In addition, less files will need to be archived over time.

Other Benefits:

- 1) It is expected that productivity will increase;
- 2) More eligibility workers will be able to telecommute; and
- 3) When DES implements imaging, additional savings will be realized (e.g., time and postage).
- 4) Imaging supports paperless processes, which has allowed AHCCCS to capitalize on creating a virtual office environment. Virtual Office is the concept of having individuals work at home or at a remote locations for the entire workweek. This effort is expected to avoid and/or save costs of almost \$1 million by the end of FY08.

AHCCCS has not yet estimated savings from increased productivity associated with the Imaging technology. This savings would be null due to the initial staff time needed to scan all existing documents before establishing Imaging as a day-to-day function.

Redeployment of Savings: (How are your savings from this project being redeployed?)

All savings are being redeployed to cover the one-time costs of the imaging technology and initial scanning of existing documents.

Who is involved: (Title of employee and their division/department. Briefly describe what they did to make this efficiency a reality.)

Linda Skinner, Assistant Director
AHCCCS/Division of Member Services

Linda Skinner led the development and implementation of Imaging for the Agency. She was able to use her division as the first area of implementation, which will be used as an example for the Agency.

Challenges Overcome: (What hurdles had to be overcome?)

1. AHCCCS needed to ensure that we were able to track current costs and analyze the differences after implementation. This means that we needed to map out all activity-based costs by analyzing our processes. (I wouldn't go to far here :), we are pushing offices to constantly rethink their need for other kind of equipment, and we are turning in printers, copiers and fax machines.)
2. Existing files needed to be converted to images before we could regularly and automatically scan in anything that came to our offices. AHCCCS hired temporary staff to help with this. The SSI MAO Office alone had over 200,000 paper case files that needed to be wither scanned, archived or destroyed.
3. AHCCCS had to develop a technical infrastructure capable of storing millions of images and had to develop a workforce trained to implement and maintain this technology.
4. Currently AHCCCS and DES are working together to electronically exchange images. Because both agencies have already operationalized imaging to some extent, operations may have to be adjusted in n order to effectively exchange images.

How To Implement: (Guidelines for other agency to implement this best practice.)

1. Research the capacity for Imaging in your agency. What types of documents can be imaged?
2. Research the best systems to use. Do you just need imaging technology or do you also need document management software to support workflow?
3. Investigate the amount of capital you will need to implement imaging as well as maintain imaging and enhance imaging.
4. Determine whether it could support other future efforts (i.e., consolidation of office space or storage contracts, protection of information due to being able to back up files, and/or promoting telecommuting or a virtual office).
5. Create RFP with your technical department. Consider all system capabilities and how the technology will be rolled out.
6. Develop a Project Investment Justification document for submission to the Government Technology Agency (GITA).
7. Develop an electronic records agreement with Library, Archives and Public Records (LAPR).

8. Award contract.
9. Implement project.

Helpful Tips & Suggestions (Provide any ideas that will facilitate a smooth, successful and efficient implementation.)

1. Visit imaging and document management operations in as many other facilities as you can to get the best understanding of how your operation might be impacted.
2. Carefully design the indexing your images to minimize the complexity of scanning and maximize the ease of utilizing your scanned documents.
3. Look for opportunities to integrate your imaging system with other computer systems. Pulling relevant data from your main databases can reduce the time you must spend identifying images.
4. Plan for future technology interfaces that can enhance your operation such as Optical Character Recognition (OCR) or fax server solutions.
5. Consider if you will share images with other agencies. Have you identified your images in a manner consistent with use by other groups?

For further information on this topic: (A contact from your agency who can answer questions on this topic)

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